

Public Notice

REQUEST FOR PROPOSALS

**New Orleans Redevelopment Authority (NORA) and the New Orleans Redevelopment Unlimited, Inc.
(NORU)**

Residential Construction Lending

May 20, 2014

ADDENDUM NO.: Six (6)

TO ALL PROSPECTIVE APPLICANTS: PLEASE BE ADVISED OF THE FOLLOWING ADDITIONS, DELETIONS AND/OR CHANGES:

- 1) NORA has removed one property, 10440 Heritage Drive, from the available properties list in Appendix A of the RFP.
- 2) Exhibit C, *Example TDC Budget*, of the RFP has been edited to reflect the correct calculation in cell C52 and F52, *Cost per Square Foot*. Applicants are asked to use the corrected Exhibit C in their proposal.
- 3) All general questions will be posted for public viewing as an addendum. Below are all general questions received and answered by NORA/NORU as between May 16th and May 19th. Earlier questions and answers are posted in previous addenda.

Q1 - If a developer is awarded loan funds under this program, are you required to sell to a 120% AMI buyer?

A1 – Yes

Q2 - If our marketing plan is to market to first responders and 120% AMI buyers for 30 days and after 30 days if we are not successful in getting any buyers in this category, we would like to open property up to sell on the open market. Are we allowed to do this if we are using NORA funds for part of the financing?

A2 - After 30 days, the home must still be sold to 120% AMI household, but not necessarily a home that includes a First-Responder.

Q3 - If we do not use the NORA funds for financing, are we required to reserve the first 30 days of marketing efforts to first responders and 120% AMI households?

A3 - If you accept the write-down on the property purchase (90% reduction) than yes to both sales requirements. If you do not use any financing and you purchase the properties in your proposal for Fair Market Value, than you still need to market to First Responders but you may otherwise sell to an unrestricted market. The building standards would still apply.

Keep in mind that NORA's goal is to put the properties back in commerce and develop quality housing, but NORA's overall mission is to provide housing opportunities to households with moderate means. Market rate housing can be an outgrowth of some of this however, NORA's overall mission, purpose and ability to access these public funds in particular is to serve the middle-moderate income market.

Q4 - NORA is potentially awarding the following:

- a. Up to \$75,000/property financing**
- b. Up to \$25,000/property loan forgiveness**
- c. 90% subsidy left in property if sold to 120% AMI Buyer**

Our understanding is that if we use "b" or "c" subsidy then we must sell to 120% AMI Buyer; however, if we use "a" (loan only with no forgiveness), are we still obligated to sell to only 120% AMI buyer?

A4 - Yes, if you use a, b or c, you will be required to sell to a 120% AMI household.

Q5 - Will NORA allow a developer to borrow NORU funds and allow the developer to put a time cap for marketing the property mid-moderate income buyers and if no sale, sell to the unrestricted market with the understanding that 90% land acquisition subsidy (if taken) must be repaid and that there will be no portion of loan forgiveness?

A5 - At this time, NORU/NORA will not specify a length of time that the property must stay on the market before it's sold to an ineligible buyer. The intent is that the Developer's team will have the capacity to build a pipeline of qualified buyers.

Instructions: Applicants shall respond to the original RFP available on-line or by contacting NORA. Submit your completed application pursuant to the directions set forth in the original RFP. Any questions regarding the RFP or this addendum should be directed to Kristy Sclafini, NORA Compliance Coordinator, 1409 Oretha Castle Haley Boulevard, New Orleans, LA 70113, 504-658-4400, kdsclafini@nola.gov.

PLEASE NOTE: All revisions in this Addendum shall be considered as included in the original RFP and shall take precedence over any part of the RFP in conflict therewith.

THIS ADDENDUM WILL BE MADE PART OF THE RFP.